Yukon Economic Overview And Outlook 2007

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Executive Summary

Yukon's economy registered considerable growth last year and this trend is predicted to continue through the remainder of 2007. In 2006, Yukon economic output, or real GDP grew at an annual rate of 2.9% to $1.285 billion. The economy is projected to grow by 3% in 2007 - slightly higher than the national growth rate - with a forecast for real GDP to reach $1.325 billion by year-end.

Increasingly, the global economy will play a role in future economic growth in Yukon. Its influence will likely extend into investment in mining and potentially to tourism and infrastructure. Based on mineral demands, population and economic growth rates, and geo-political interests, Yukon's focus is on China and Korea.

Trade will become more important to Yukon as minerals are once again shipped to overseas markets. The potential for Asian metal demand to continue to elevate mineral prices for years to come bodes well for mineral rich Yukon. In addition, the future of the destination traveller looking for a unique wilderness-focused trip presents growth opportunities for this mainstay element of the territorial economy.

Mining and tourism are key strategic industries in Yukon. Expenditures for mineral exploration in 2006 were $82 million, up from $49 million in the previous year. Exploration expenditures for 2007 are forecasted at $123 million. Record exploration spending should move the industry towards a new phase of quartz or hard rock mining in 2007 and beyond. Current mining production is focused on the placer sector of the industry with gold production valued at $32 million in 2006.

Although both natural gas extraction and placer mining activity were down from the previous year, 2006 quartz mine exploration accounted for growth of 2.9% for the combined oil, gas and mining sector. Should mineral production return to record historical levels, an opportunity exists for a 12-fold increase in value of the mining sector over the coming decade. Infrastructure developments will be critical in ensuring a viable and sustainable mining sector.

The number of tourists visiting Yukon in 2006 was lower than it was in 2005. Total international border crossings, excluding marine and air travel, amounted to 315,504 in 2006, down from 324,284 in the previous year. Non-Yukon Canadian travellers accounted for a substantial portion of this decline with an 11.8% drop in 2006 versus 2005 visitation figures.

A 7% increase in the Canadian dollar exchange rate from 2005 to 2006 is probably an influencing factor for some of this drop. Looking back to year 2000 when American travellers paid 67.4 cents (US) for a loonie to 2006's rate of 88.2 cents (US) provides an indication of the impacts a strong currency can wield on tourism.

Other factors adversely affecting tourism demand include the lingering impacts of 9/11, higher fuel prices, and confusion regarding travel document requirements. Continuing a trend that began with the 9/11 event, the price of traveller accommodations has dropped for six consecutive years amounting to a total decline of 27.8%.

In spite of the above indicators, wilderness adventure operators and businesses catering to the motorcoach travelers reported a good season in 2006. Operators focused on European markets also performed well with those servicing the fly-drive and RV rental segments indicating an excellent season.

Yukon fared much better than the national average regarding US and international travellers. In 2006, Canada recorded a drop of 7.7% in international visitation, while Yukon observed only a 1.6% decline. In 2007, a slight increase in international travel may be achieved through an additional 10 Condor (German airline) flights and the extension of the White Pass & Yukon Route rail service to Carcross.

A number of indicators illustrate the nature of economic growth that occurred in 2006. For example, consumer expenditures on goods and services in the territory grew by 4.6% in 2006. This spending led to an expansion in GDP for the wholesale and retail trade sectors of the economy at 7.0% and 4.2%, respectively. Though employment in Yukon held steady in 2006, unemployment numbers dropped from 800 to 700 edging down the unemployment rate from 4.9% in 2005 to 4.3% this past year. Full time employment grew by 100 to 13,200 in 2006 while part time employment was reduced by roughly the same amount to 2,400.

Although business machinery and equipment investments in 2006 increased by 4.8% and investment in inventories recorded a substantial 14.3% gain, overall business investment in Yukon recorded an overall decline of 4.7%. This was led, in part, by a 4.4% decrease in residential construction investment. In terms of real GDP, the construction industry declined by 7.6% from record 2005 levels. Modest increases were, however, recorded in the non-residential, transportation and repair construction sub-sectors.

As with all northern jurisdictions, the public sector provides a substantive catalyst for growth. Current government expenditures on goods and services grew by 4.6% last year although investment in structures as well as machinery and equipment shrunk by 12.3%. A 4.3% increase was recorded in public administration GDP and education services GDP increased by 2%.

Inflation rates in Whitehorse, as measured by the consumer price index, increased by 1.5% in 2006, 2.2% in 2005 and 1.0% in 2004. Canada's average inflation rate for 2006 was 2.0%. The inflation rate for Whitehorse for the first

three months of 2007 was 1.3%. Overall, 2007 is forecasted to be another year of 1.5% inflation.

Higher energy costs in the first half of 2006 hiked the Whitehorse inflation rate to 2.5% for the first six months of the year. Lower fuel prices in the second half of the year reduced the rate to 0.3% for that six month period. Overall energy price increases in Whitehorse in 2006, at 2.8%, were considerably lower than the 11.4% hike recorded in 2005 or the 8.3% increase in 2004. Shelter costs in 2006 rose by 3.8% while the price of childcare rose by 2.8% over 2005 figures. The price of food purchased in Whitehorse stores increased in 2006 by 1.2% while restaurant prices increased an average of 1.6%.

With average annual population growth at 1.8%, Yukon's population averaged 31,803 in 2006. In December 2006, Whitehorse recorded its highest population count ever at 24,151. This amount narrowly exceeded the 1996 population record that coincided with the final year of significant mining activity at the Faro lead-zinc deposit. Other major population centers - Dawson City and Watson Lake - recorded growth of 1.8% and 0.5%, respectively. For comparison, the Canadian population increased by 1.0% in 2006 over 2005 levels.

Inward and outward migration typically account for a 10% turnover of Yukon's population each year. Net in-migration is anticipated to combine with natural growth to increase Yukon's average annual population by 600 to 32,400. The population is, however, getting older. At 38.0 years, the median age for Yukoners is higher than it is for all of the territories and western provinces. In 2001, the median age stood at 35.8 years.

Recent events have impacted the face of Yukon, including the 2007 Canada Winter Games (CWG) and the opening of major franchise outlets such as the larger Canadian Tire and Mark's Work Wearhouse stores. These and other big-box stores stand to increase Whitehorse visitation from a growing geographical circumference, including Alaska, and intensify competitive pressure on existing retail outlets in the city and extended outlying areas.

The temporal impacts of the CWG were substantial in the build-up years of 2005 to 2007 and in the running of the event itself. The legacy facilities that are being used by Yukoners and visitors should, in conjunction with major-city shopping opportunities, draw economic immigrants and tourists to the region for years to come.

Yukon GDP is expected to show continued growth in 2007 with increased mining and exploration and increased mineral exports. Canada Winter Games activities and an expanded range of shopping opportunities will add support to the retail trade industry while government expenditures will continue to add a solid foundation to the Yukon economy. Overall, the Yukon economy is anticipated to continue to grow in 2007 with a forecasted 3% expansion in economic output.

1.0 External Factors

Economic activity outside of the territory has often influenced growth in Yukon. With a small domestic market, expanding Yukon businesses will have to look outside the territory to market their goods and services. In addition, Yukon relies on tourist visitation which can be influenced by conditions elsewhere.

The Yukon's population and labour force is impacted by activity in neighbouring jurisdictions. Yukon families have been highly mobile and may enter or leave the Territory following employment opportunities. Statistics Canada reports[1] that total interprovincial migration in and out of Yukon over the last decade has averaged over 3,100 persons per year, or roughly 10% of the total population.

For Yukon in the global context, a focus is placed upon countries with rapidly expanding economies, where international investments are unfolding and where further economic growth requires mineral resources that can be supplied by the territory. This brings our attention to China and South Korea.

1.1 Asia: China and South Korea

China and South Korea are working to secure access to mineral resources around the globe to fuel their growing economies. The key issue regarding Yukon interest in China relates to surging demand for mineral resources. For a 10-year period to year 2000, growth in Chinese metal demand was steady at about 10% per annum. This has increased to 15% growth over the past five years. In addition, China has accounted for over 70% of total global demand for metals in recent years.[2]

China has recently been experiencing phenomenal economic growth. China's Gross Domestic Product (GDP) has been increasing at around 10% per year for the last several years despite the Chinese Government's attempt to cool this super-heated economy. Forecasters are expecting GDP growth in China should continue at this pace, pushing 10% each year, for at least the next two years.

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[1] Statistics Canada Table 051-0018 - Interprovincial in-, out- and net-migrants, by province or territory, annual (persons)

[2] Long Term Metal Prices and Factors Affecting Them: Raw Materials Group, October 2006

Economic growth in China's transitioning economy has been driven by strong government investment and an emerging stock market. In most countries, investment is usually 20-35% of GDP however in China this figure has recently surpassed 44%. Consumer spending, which is normally well above 50% of GDP in most countries, is just over 40% in China. Chinese consumers have a high savings rate, in part, because many social services have eroded as the country drives towards privatization. This creates an increasingly strong incentive for consumers to save in case of illness or loss of employment.

Without a strong domestic consumer market, China may be more vulnerable to external economic forces and trade impediments as it is strongly tied to investment and export-led growth. Growth in consumer spending, which would increase domestic demand, would add a stabilizing factor to the economy. Although the Chinese consumer market is at an early stage of development, it is showing signs of an upward swing.

At present, less than 100 million or about 8% of China's population earns more than US$5,000 per year. McKinsey & Company estimates that by 2020 some 700 million Chinese will join the ranks of workers earning $5,000 or more (valued at US$20,000 from a power-of-purchasing perspective in North America). This amounts to $2.3 trillion dollars of consumer spending.[3] For Yukon, the impact of increasing demand for metal arising from expanding income levels around the world should translate into increased demand for mineral shipments from the territory.

The South Korean economy is now the 10th largest economy in the world, recently eclipsing Brazil, with GDP of US$888 billion.[4,5] What is extraordinary about this Asian economy is that per capita gross national product has sky-rocketed; moving from being comparable to poor African or Asian levels to $24,200 in 2006.[6] Over this time frame, South Korea has evolved from an agricultural economy to light industry and consumer products, and then towards heavy industry such as ship building and automotives in the 1970s and 1980s. Over the past two decades, South Korea has achieved rapid growth in the areas of information and communication technologies and also in the service sector. GDP growth rates have tapered off from 9% over the earlier decades of growth to current-day GDP growth of 5%.

Like many other major Asian economies, South Korea has limited natural resource wealth from which to continue its remarkable path of growth. For this reason, Korea has been busy developing trade agreements with strong commodity countries such as Canada. In late 2005, state-run Korea Resource

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[3] McKinsey & Co., 2006, *From 'Made in China' to 'Sold in China' : The Rise of the Chinese Urban Consumer*: http://www.mckinsey.com/mgi/publications/china_consumer/index.asp

[4] *Economist.com* : http://www.economist.com/countries/SouthKorea/profile.cfm?folder=Profile-FactSheet

[5] market exchange valuation

[6] At Purchasing Power Parity : https://www.cia.gov/library/publications/the-world-factbook/geos/ks.html

Corp and Yukon signed a Memorandum of Understanding outlining Korea and Yukon cooperation in pursuing resource development in Yukon to supply the Korean industry. In addition, the Canadian and Korean Governments are at work negotiating a bilateral free trade agreement in order to increase trade between the two countries and reduce existing trade barriers.

1.2 United States and Alaska

In the international field, the United States has been the key trading partner of Yukon for many years. Not only do Yukon businesses trade goods and services with the US, the country is also the source of the bulk of Yukon's tourism market. Both as a destination for US tourists and as an itinerant destination of travelers destined to Alaska, Yukon continues to rely on this visitation to support tourism-based economic activity in the territory. Changes in economic conditions in the States have the potential to be felt sharply in Yukon.

The United States economy faces significant challenges over the near term. A continued negative trade balance and a slowdown in housing starts (and the associated decrease in housing prices) should hold back growth on the US economy. Scotiabank Economics[7] is forecasting US Real GDP growth of 2.4% in 2007 following average growth of 3.5% over the previous three years.

Although personal income has been moderately growing in the country, an income distribution gap between higher income households and the lower and middle class has been widening. Increasing energy prices, the effects of which are being felt more heavily in the lower and middle class, is leading to decreased disposable income. In addition, a slowdown in the US housing market and associated housing price decreases is leaving consumers with less ability to borrow against equity in their homes. This may lead to decreased investment willingness to spend of US consumers resulting in decreased demand for goods and services. US consumers may also have less income to spend on leisure activities and this may negatively impact international travel including visitation to Yukon.

If the US economy slows in the coming year, it will have spillover effects on economic activity in the rest of the world. With a heavy import focus, decreasing consumption of globally produced goods and services will negatively impact exports of other countries such as Canada and China among other nations that market their products to the US.

The outlook for Alaska in 2007 is more optimistic than the US in general. Pat Burden, president of Northern Economics Inc. of Anchorage, reported that "Alaska economic conditions are generally healthy with total employment expected to grow 2.2% this year. Personal savings should be up 5.4% and the

[7] Scotiabank: Global Economic Research – Forecast Update: March 15, 2007. www.scotiabank.com

state's Gross State Product is expected to rise 2.7%."[8] The group cautions that falling oil and metal prices and a decline in federal spending in the state could constrain economic growth in Alaska in upcoming years.

1.3 Canada and the Western Provinces

Canadian GDP increased at a moderate 2.7% pace in 2006 held back by the slowing export-oriented manufacturing sector of central Canada. The economies of Ontario and Quebec only demonstrated GDP growth of 1.9% and 1.7% respectively in 2006. Western Canada, however, experienced growth well above the Canadian average. Economic activity in Canada and particularly in the provinces of Alberta and British Columbia influence economic activity in Yukon.

In Alberta GDP growth was a blistering 6.8% with strong oil prices spurring corporate profits and business investment. This stimulated increased labour income and spending. These conditions combined with a low unemployment rate drew in 57,000 interprovincial migrants that, in turn boosted residential construction activity and consumer spending.

Economic growth in British Columbia also outpaced the national average increasing by 3.6% in 2006. In spite of an increasing Canadian dollar and decreasing demand from the US housing market, the BC forestry sector posted a moderate increase in output. Construction in BC benefited from business and government investment surrounding the 2010 Winter Olympics. Increasing labour income and low unemployment supported sharply increased consumer spending and residential construction.

Economic growth in 2007 in Canada is expected to slow to 2.3%[9] with decreasing manufacturing and exports influenced by slowing US demand and a rising Canadian dollar. Domestic demand for goods and services is expected to remain strong somewhat offsetting the decrease in exports. Housing construction has also appeared to reach a peak in some areas of the country. Reduced affordability and depleted demand should contribute to a softening of new construction, existing home sales and price appreciation through 2007.[10] Although most certainly at a slower pace than last year, Alberta should continue to lead Canadian economic growth in 2007 and growth in BC should remain about the national average with continued investment and construction activity.

With both Alberta and BC having strong interprovincial trade with Yukon, continued strength in these two jurisdictions will provide continued trade opportunities. A tight labour market in these neighbouring provinces, however, increases competition for labour resources and may put additional pressure on an already tight Yukon labour supply.

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[8] Alaska Journal of Commerce – Publication Date: 01/28/2007
[9] Scotia Group - Global Outlook 2007
[10] ibid

2.0 Yukon Economic Sectors

Yukon has a rich history of economic activity in the resource sectors. These sectors have recently been resurging and will be key contributors to growth in the future. Beyond resource sector activity, Yukon also benefits from other industries. Tourism has been a cornerstone of economic activity in the Territory providing employment, business opportunities and other benefits however other industries are also emerging. For example cultural industries such as film and sound have increasingly been contributing positively to the monetary economy. A relatively large government sector in Yukon has not only provided a stabilizing factor over business/resource sector cycles but has also provided opportunities for local businesses to provide goods and services in support of direct government activity and related economic spin-offs.

2.1 Mining

Last year was an exemplary year for exploration and mining activity in Yukon and 2007 is expected to be an even better year for the industry. Of particular interest in 2007 will be start up of production at Sherwood Coppers' Minto Mine. With continued exploration success, it is hoped that there will be further development announcements in the foreseeable future. The placer industry should also benefit from continuing high gold prices that are expected to remain strong throughout 2007.

Exploration expenditures in 2006 are estimated to have increased by more than 60% from 2005 to over $80 million with more than 90 active exploration projects. Many of these projects produced good results and either identified new prospects or continued to extend reserves in known mineralized zones. Exploration activity levels are predicted to remain high in 2007, with total expenditures forecast at $123 million. Additional investments in mine development expenditures totalling approximately $70 million are expected to result in another banner year for mining.

The largest exploration program in Yukon in 2006 was conducted by Pacifica Resources on the Selwyn deposit in the Howard's Pass area of Yukon. Pacifica spent approximately $15 million on exploration which included 40,000 metres of exploratory holes.

Quartz claim staking remained at significant levels and claims in good standing increased to 57,968 in 2006, a 15% increase over 2005. Early indications in 2007 have Quartz staking up over 200% from the same time last year. Placer claims in good standing increased from 16,249 in 2005 to 17,141 in 2006.

Commodity prices in world markets continue to be very strong for both base and precious metals. High prices have been primarily driven by the demand for

minerals in Asia, and in particular China, where strong economic growth levels are continuing to be experienced. As a result, investment in the exploration and mining sectors is very strong and has been enabling junior mining companies to secure investor funding to finance significant exploration activity. This is especially important to Yukon as over 90% of exploration conducted is by junior mining companies.

Of particular importance to Yukon's mining industry are the prices of mineral commodities such as gold, silver, lead, uranium, zinc and copper.

The price of gold continued to rise in 2006 ending the year at over $640 US per ounce.

The price of gold is of particular importance to placer mine operators. Increases in the price have been somewhat offset by increased costs associated with the rising fuel prices and an increase in the value of the Canadian dollar.

Yukon placer gold production in 2006 totaled 58,294 crude ounces. The total dollar value of Yukon placer gold produced in 2006 was about $31.8 million. Placer gold production currently accounts for the majority of mineral production in Yukon. The value of the Canadian dollar, the world price for gold and the new placer régime[11] will be influencing factors in how well the industry performs in 2007.

The price of silver also increased to over $13 US per ounce by the end of last year. This supports expanded interest in the precious metal sector with prices expected to show continued strength in 2007. Strong precious metal prices significantly enhanced the economic viability for developments such as Skookum (Tagish Lake Gold), United Keno Hill (Alexco Resource Corp.), and many other properties throughout Yukon.

Base metals have also demonstrated sharp price increases as a result of strong global market demand. Average lead and zinc prices have doubled since December 2005. The price of copper has also topped $3.00 US/lb recently with the average price increasing by about 50% over the past year. The price forecast for these base metals remains positive due in part to reducing inventories and increasing global demand. The price of base metals is important to a large number of projects at Minto (Sherwood Copper), Wolverine (Yukon Zinc), Selwyn (Pacifica Resources), and Carmacks Copper (Western Silver).

Other minerals of potential importance to Yukon include molybdenum, and tungsten.

Yukon also hosts precious gem deposits such as emeralds at Tsa da Glisza (True North Gems). Cutting of the emeralds, test marketing, reserve extension

[11] For information see: http://www.yukonplacersecretariat.ca/regime

and developing techniques on handling the stone to produce market quality gems has been the focus of efforts over the past few years. Several new emerald prospects at the Tsa da Glisza property area have also been explored and this has resulted in the discovery of several new mineralized zones.

The Yukon government continued to support the mining exploration industry by funding the Yukon Mining Incentive Program. In 2006 $880,600 was offered to 53 successful applicants. Prospectors have been very successful in the past few years in identifying and advancing new mineral occurrences and stimulating exploration investment through promotional activities and option arrangements with junior and major mining companies.

2.2 Oil and Gas

Yukon's oil and gas resources remain underdeveloped. Global and North American markets remain strong, although in 2006 natural gas prices did not continue their upward trend.

No new wells were drilled in Yukon in 2006 and there are currently no plans for drilling in 2007. The only existing production is from the Kotaneelee field, in the Southeast Yukon, which commenced gas production in 1979, and has produced continuously since early 1991. The two original producing gas wells are showing signs of maturity, and production from these wells has fallen off significantly, especially in the past year. The new well completed in early 2005 continues to show good production, but not enough to offset the declines in the other two wells, so total Yukon production declined in 2006, and that decline is expected to continue in 2007.

Lack of current drilling and declining production notwithstanding, there have been a number of positive developments respecting Yukon's oil and gas sector that bode well for the future.

Plans by Northern Cross (Yukon) Ltd to conduct extended production tests on its Eagle Plains oil field did not come to fruition this past winter. Testing is now expected to occur in the winter of 2007-08. If positive results are obtained, this testing could be followed by development of this field. The testing itself would generate some economic activity, but the expected development that would follow would be very significant to Yukon, both in terms of the activity in the oil and gas sector and the potential for processing in the Territory and providing a new source of energy supply in Yukon. Scenarios being considered by Northern Cross continue to include the construction of a small plant to partially process the oil to produce a product that could be used for generating electricity in Yukon.

Following consultation in 2006, the Department of Energy, Mines and Resources introduced some administrative changes to its land disposition process. These changes have created a more streamlined process, while still ensuring adequate

consultation and review. The benefit of these changes became apparent when a recent request for posting[12] of oil and gas received 25 requests for postings in northern Yukon. The next step in the disposition process, the call for bids, began during the week of May 14th. These bids are expected to be opened on June 27th.

Also, discussions are continuing with southeast Yukon First Nations to open up lands for a sale of oil and gas rights there. If these efforts are successful, they could lead to preliminary exploration and development in Yukon, as this region of Yukon is already connected to market by gas pipelines, and in much closer proximity for oil pipeline infrastructure.

The Department has also completed its draft Oil and Gas Royalty Regulations. Feedback from First Nations and Industry has been positive and it is expected that these regulations will be promulgated in the summer of 2007. These regulations should foster further exploration by enhancing regulatory certainty.

Lack of pipeline infrastructure remains the major limiting factor for exploration and production of Yukon oil and gas resources. Further progress and growing momentum continues regarding northern gas pipelines. Work continues towards advancing the Mackenzie Gas Project in the Northwest Territories. In Alaska, the new Governor has led renewed efforts and new initiatives to get a firm proposal for construction of a gas pipeline from Alaska's North Slope. As soon as a firm commitment is made to proceed with either of these pipelines, a surge of oil and gas exploration can be expected in the north, including Yukon.

2.3 Forest Resources

The focus of the Yukon forest industry at this time is on tailoring infrastructure for specific, mostly local, markets. Small volume producers are streamlining operations and those businesses targeting larger markets are continuing to plan and create infrastructure for long term, sustainable ventures. A request for proposals advertising a ten year/one million cubic metre wood supply in southwest Yukon was run in 2006 and saw three companies selected for further discussions regarding their proposals to harvest the beetle killed timber. The first portion of this wood supply (approximately 250,000 m^3) will be engineered in 2007 by the Forest Management Branch of Yukon Energy, Mines and Resources in anticipation of operations beginning in the near future.

Timber salvage rights to two large areas in southeast Yukon affected by 2004 forest fires were awarded to a Yukon based company in 2005. This company has built a new mill in Watson Lake and has focused its initial harvesting activities on the BC side of a large fire kill area that straddles the BC/Yukon

[12] Government's request to industry to specify areas of interest for oil and gas exploration and/or development. It is the first step in the disposition process for acquiring rights.

border. Harvesting on the Yukon side of the burn is scheduled to begin in the winter of 2007/08.

The number of people 'dabbling' with small volume wood product manufacturing is dwindling, but some of those staying in the business are finding success with very specific products for local sales.

A number of small to medium size mill operators have invested additional money to modernize their facilities. Products such as rough cut lumber, especially 6x6 and 8x8's have good local demands. Sales of planed products such as moldings, wood siding and milled building logs are also increasing.

As with past years, the volume of firewood being harvested is exceeding that of round wood for manufacturing. Salvage of beetle killed timber in southwest Yukon is becoming the primary source of fuel-wood for the City of Whitehorse where the annual demand is estimated to be between three and four thousand cords.

A regional forest management plan for the Teslin-Tlingit traditional territory, an area of approximately two million hectares, was approved jointly by Yukon and the First Nation governments in late 2006, and implementation will begin in 2007. Approval of the regional forest management plan for the eight million hectare Kaska traditional territory is expected later in 2007. Work on a regional forest management plan for the Tr'ondëk Hwëch'in traditional territory has begun. Regional forest management plans are a key to establishing a long term sustainable flow of timber to potential forest industry operations

2.4 Tourism

A number of national and international issues/events, both economic and regulatory, influenced visitors' decisions not to visit Canada and Yukon during 2006. The increased value of the Canadian dollar and the price of fuel linked with the confusion associated with the Western Hemisphere Travel Initiative (WHTI) severely impacted same day and long-haul travel, reducing Yukon's private vehicle traffic for the second consecutive year.

During 2006, a total of 315,504 travelers visited Yukon from January through December, down 2.7% or 8,780 compared to the same period in 2005, according to Canada Border Services Agency.

Yukon fared better than Canada in 2006 in terms of visitation numbers. Over the year, total international visitors to Canada declined by 7.7%, while Yukon visitation only declined by 1.6%. Specifically; US visitors were down by 8.8% for Canada while Yukon registered a decline of 1.0%. Overseas visitors for Canada grew by 0.3% compared to Yukon's decrease of 5.8%.

By the end of December 2006, 109,470 passengers entered Yukon by motorcoach. This is an increase of 13,534 passengers or 14.1% over 2005, largely due to an increase of cruise ship day tour activity out of Skagway, Alaska.

Private vehicle traffic however, was down from 228,348 to 206,034 a decrease of 22,314 visitors, or 9.8%.

By country of origin: U.S. visitors were down from 230,655 to 228,279, a decrease of 2,376 or 1.0%; Canadian visitors were down 30,662 to 27,030, a decrease of 3,632 or 11.8%; and international visitors were down from 28,669 to 27,007, a decrease of 1,662 or 5.8%.

Yukon's Visitor Information Centres reported a corresponding decline in visitation. Visitor Information Centres registered 223,624 visitors from May through September 2006. This amounted to a decrease of 12,128 visitors, or 5%, over the same period in 2005.

Anecdotal reports from a number of Yukon tourism operators indicated that despite this overall decline in the total number of visitors, certain sub-sectors or businesses which catered to these sub-sectors were pleased with the 2006 summer season. Wilderness adventure operators and businesses catering to the motorcoach travelers reported a good season. Operators focused on European markets performed well with those servicing the fly-drive and RV rental segments indicating an excellent season.

Indications from Yukon tourism operators also suggest they experienced a fall/winter season that was similar to 2005/2006. Wilderness adventure operators that specialize in dog sledding showed strong bookings and expect final levels to be an increase over the previous season.

Forecasters surveyed by the Conference Board of Canada and reported in the *March – April 2007 Travel Exclusive Key Trends for the Canadian Travel Industry* are positive regarding Canada's tourism prospects for 2007. They suggest that more Canadian travelers will choose a domestic holiday this summer and fewer will travel into the U.S. However, the U.S. travel market is not expected to improve in the near term, stifled by the high price of gasoline and a slowdown in the economy. Confusion over travel documents continues to negatively impact U.S. travel to Canada. Performance of Canada's traditional European markets is troubling, offering only modest growth potential in the near term.

For Yukon, the Department of Tourism and Culture forecasts a 2007 summer season much like that of 2006, with a few bright spots. Condor, a German charter airline serving Yukon, will add 10 flights to their schedule, commencing service at the same time as last year but extending the fall operation by nearly four weeks. Some operators are seeing improved bookings coming a bit earlier than last year and those serving the overnight and same day motorcoach market are

encouraged by bookings. Finally, the White Pass & Yukon Route will initiate a new service from Skagway to Carcross, projecting that 20,000 passengers will ride this train.

The Yukon Government has entered into a joint marketing program with the two other northern territories to increase awareness of the North. This program is being conducted in an effort to support increased investment and activity in Yukon including growing visitation and promoting business opportunities.

2.5 Economic Infrastructure & Longer-term Projects

Highway and infrastructure projects are a significant part of the Yukon economy. In 2007 the Department of Highways and Public Works will spend almost $30 million under the US funded Shakwak Highway Project. Major expenditure areas include reconstruction of the last remaining low standard section of the Alaska Highway in Yukon near Slim's River/Sheep Mountain, completion of the Donjek River Bridge and commencement of paving on previously rebuilt sections of the Haines Road.

The Alaska Highway will also benefit from nearly $7 million in work under the Canadian Strategic Infrastructure Fund. The main project is the completion of the new deck on the Teslin River Bridge at Johnson's Crossing. Improvements will also occur on the Dempster Highway totalling about $1 million. Pavement rehabilitation valued at $2 million will be carried out on the heavily traveled section of the Klondike Highway immediately north of Whitehorse (Burma Road to Horse Creek).

Improvements to the Whitehorse Airport are also on the horizon. Expansion of the terminal is anticipated to start in late 2007 to accommodate Canada Border Services Agency requirements for processing international passengers. There are also plans for continued work on the parking lot to address increased terminal demand as well as additional improvements to water and sewer infrastructure to the developed areas of the Whitehorse airport. On-runway upgrades are also planned to meet general Whitehorse aviation needs.

In the medium term there are potential projects which should contribute positively to the Yukon economy. In addition to direct benefits, many of these projects will add to the infrastructure base of the territory.

Plans for an electrical grid expansion through a Carmacks-Stewart extension as well as the addition of a third turbine to the Aishihik hydroelectric facility would both create employment opportunities as well as add additional capacity to Yukon's electrical system.

Following on successes observed with the Connect Yukon Project, bringing high speed internet access availability to over 95% of Yukoners, the Yukon

government is moving forward on alternatives in increasing capacity and affordability of bandwidth to southern backbone[13] connections. Not only will this be an enabler of businesses, allowing access to outside markets and providing opportunities for the development of new products, it will also provide social benefits in education and health as new technologies and services can be implemented. The Yukon government is presently examining the situation to determine the technical and financial requirements in order to fulfill these goals. Determination of next steps in developing this key telecommunications infrastructure is expected by the end of the year.

Additional infrastructure investments are also being examined by the Yukon government for the longer term. The Yukon government in partnership with the State of Alaska is examining both port access as well as an Alaska-Canada Rail Link that would provide economic infrastructure in support of a growing resource sector and potential Asian trade. The release of these studies is expected shortly.

Both the Mackenzie Gas Project (MGP) and the Alaska Highway Pipeline (AHP) natural gas pipeline projects still remain as possible future shocks to the Yukon economy. The MGP pipeline continues through the regulatory process and, should it proceed to construction, would provide opportunities for Yukoners and Yukon companies to provide goods, services and labour resources.

The new Alaskan Governor has made construction of the AHP a priority of her government. The Governor has introduced a new Alaska Gasline Inducement Act which is proposing several incentives to stimulate the design and construction of the AHP though Yukon to infrastructure in northern Alberta. A ten year tax freeze as well as other financial incentives is part of the proposed package.

Construction of the AHP through Yukon would not only provide employment and procurement opportunities but is also expected to provide access to natural gas to Yukon as well as an opportunity to provide access to southern markets for Yukon's own natural gas resources.

2.6 Construction

Permitting of the Athletes' Village for the 2007 Canada Winter Games and construction of the new Canadian Tire store in Whitehorse were key contributors to the value of Yukon building permits totalling $101 million in 2006. This was a 34% increase over the value of permitted building construction in 2005.

Although down by $4 million from 2005, permitted residential construction surpassed $40 million in 2006. A total of 292 new dwelling units were permitted last year, almost identical to the 291 permitted in 2005.

[13] Backbones are the main network connections that make up the Internet. They are made up of ultra-high speed lines and connections.

Construction of the Athlete's Village for the 2007 Canada Winter Games and a new recreation centre in Mayo dominated the value of institutional building permits. A total of $33 million in institutional construction was permitted in 2006, a 41% increase over the previous year.

The building of a new large format retail outlets pushed the value of commercial building permits to a record $24 million in 2006. Industrial permits also increased to $2.6 million last year, its highest level in the last decade.

The City of Whitehorse has budgeted $16 million for capital expenditures in 2007/08. Highlighting this budget is $5 million allocated to a new fire hall and $2.4 million in waterfront development. The Canada Strategic Infrastructure Fund will provide over $4 million toward the capital costs.

In addition to waterfront development in Whitehorse, Carcross will also receive $3 million towards development of its waterfront. Among other projects, the foot bridge replacement is scheduled to be completed before the start of the summer at a cost of $1.5 million.

The value of permitted construction in early 2007 has been boosted by industrial permitting for the Sherwood Copper Mine with $11.7 million permitted in February. Sherwood Copper has also indicated that they will be accelerating the Phase 2 development of the mill for the mine and hope to have that completed by the end of the year.

In support of continued residential construction over 2007, the Yukon government plans to release just over 200 residential lots in the Whitehorse area as well as almost 150 residential lots in other communities.

Multi-unit condominium construction has increased recently. New units in the downtown core of Whitehorse are providing residential options for families and individuals preferring to live in a central location. Additional condominium units are also anticipated to be constructed in the coming year both downtown and other areas such as Takhini North. Seniors' housing unit construction in Haines Junction and developments in other communities will also support residential construction. Mortgage interest rates are not expected to jump substantially in the near future lending support to residential investment.

Future subdivision development in Whitehorse in areas such as Whistle Bend is also in the plans for the longer term in order to ensure an ongoing supply of residential lots.

Institutional construction in the territory in 2007 should include almost $6 million in expenditures on a Multi-Level Care Facility in Watson Lake. Construction of a Youth-Elder Activity Centre in Burwash Landing and improvements to trades education facilities throughout Yukon will also support institutional construction

this year. Overall it is expected that the value of permitted building construction should total in the $70 - $80 million range in 2007.

Increased construction costs have also contributed to the gain in permitted value recently as the costs of transportation, materials and labour have been on the rise. Key influencing factors to recent cost increases have been higher energy prices and higher demand for skilled workers locally as well as in neighbouring jurisdictions such as BC, Alberta and Saskatchewan that are experiencing strong economic growth. These increased costs will continue to be a factor in the value of building permits in the upcoming year.

Statistics Canada reports that private and public capital expenditures[14] should decrease in Yukon by 2% in 2007. Specifically, public capital construction is reported to increase by 9% while private sector capital construction is reported to decrease by 17% over 2006 levels.

2.7 Retail and Wholesale Sales

Yukon retail sales totalled $456 million in 2006. This was an increase of 2.8% from 2005.

Although new car dealers seemed to show strong increases in the last quarter of 2006, total automotive sales, which includes new and used car dealers, vehicle parts and service stations showed a decrease. In 2006, automotive sales decreased by 4.6% from 2005 to $152 million influenced by the drop in gasoline prices at the end of the year.

Food and beverage stores sales increased by 4.4% to $131 million and clothing and accessory stores sales increased by 1.4% to $16 million.

The largest trade group is "other retail stores" which includes all general merchandise stores and other stores not specified above. This trade group increased by 9.8% to $157 million in 2006.

Retail trade over the summer tourism season[15] increased at a stronger pace than the annual growth. Sales during this period increased by 4.5% with stronger sales seen across all categories. Christmas sales in December also were strong last year with growth of over 6% with all categories registering an increase.

Retail trade in Yukon in 2007 should continue to benefit from strong employment and spending. Retail trade should also benefit from increased availability of goods and subsequent sales at the new Canadian Tire and Mark's Work Wearhouse stores. In addition, the extraordinary amount of visitors coming to Whitehorse for the 2007 Canada Winter Games should boost retails sales figures

[14] Includes construction, repair as well as machinery and equipment
[15] May thru September inclusive

in the first quarter of the year. Overall it is expected that retails sales growth should continue at a moderate 3% rate in 2007.

Wholesale trade, which is strongly tied to construction and mineral exploration and development activity, increased to almost $120 million in 2006; this is up over 25% from the $95 million reported in the previous year. Wholesale sales may be negatively affected in 2007 with a decrease in construction but will continue to be supported by resource sector activity.

2.8 Film and Sound

Film and Sound in Yukon is an area of potential economic growth. Over the past year, Discovery Channel, Aboriginal Peoples Television Network and Omni have all invested in locally produced and filmed projects. A number of local filmmakers are currently producing projects that range from documentaries to television series to live action animation. The Yukon Film and Sound Commission is also leading a contingent of eight local filmmakers to the Banff World Television Festival in June, 2007. Each of the eight filmmakers will have the opportunity to pitch three film projects to international broadcast executives.

A number of Yukon musicians have recorded and undertaken showcases and tours over the past year. Yukon musical talent continues to develop and gain exposure in outside markets. In addition, the Yukon Film and Sound Commission is supporting MusicYukon in talks to bring the Western Canadian Music Awards to Yukon in Fall 2009.

2.9 Canada Winter Games 2007

Preparation for the 2007 Canada Winter Games has had a positive economic impact on the territory for the last few years with ongoing operational spending as well as construction of facilities and venues for the Games. Although the Games came to an end in March of 2007, they added additional stimulus to the Yukon economy in terms of increased demand for retail goods, accommodations, food, rental vehicles and other services.[16] It is also expected that the increased awareness of Yukon generated through the Games will lead to additional interest in the territory in the future. Both increased visitation to Yukon, whether for vacation or attendance in future events that take advantage of the Games' facilities, and additional business investment are expected positive spin-off impacts. Athletes' Village legacy facilities are also expected to help address current and future demands for housing as well as provide educational support infrastructure for the future.

[16] An economic impact assessment is currently being undertaken to quantify the impacts of hosting the Games and results should be available later this year.

3.0 Yukon Economic Indicators

Economic indicators[17] are of interest not only to government in Yukon but to individuals and businesses as well. For example, population growth in the territory can provide information on the amount of available labour in the territory as well as giving an indication on what demands may be placed on housing. Economic indicators also provide a basis for gauging economic performance between jurisdictions such as comparing economic growth through gross domestic product changes over years.

3.1 Population

The Yukon population registered its third straight year of growth in 2006. Average annual growth in Yukon has been 2.0% over this three-year period with the annual average population reaching 31,803[18] in 2006.

Whitehorse experienced the largest rate of growth in the territory both nominally and proportionally. By December 2006 the population of the territorial capital reached 24,151 which was a 2.7% increase over the previous December. This figure is also the highest recorded population for Whitehorse which previously had peaked at 24,143[19] in December of 1996.

Both of Yukon's other larger communities also showed an increase in population between December 2005 and December 2006. Dawson City recorded a 1.8% increase to 1,859 and Watson Lake increased by 0.5% to 1,551. The population of most other Yukon communities also demonstrated an increase in the last year. The only community to experience a more than 10 person drop in the last year was Haines Junction which decreased by 1.5% to 812 in December 2006.

The Yukon population remained virtually evenly split between men and women in December with 50.3% of the population male and the 49.7% female. The Yukon population, however, is getting older. The median age in the territory increased to 38.0 years in 2006 from 35.8 in 2001. This puts Yukon at the highest median age of territories and western provinces[20] with the exception of BC which is higher at 39.8 years. Overall, 7.4% of the Yukon population was 65 years of age or older in December 2006.

It is expected that recent population growth trends should continue over the next year leading to another increase in population. The annual average population of

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[17] Key statistics that indicate the direction of the economy.
[18] Yukon Population Estimates presented here are based on Yukon Bureau of Statistics/Yukon Health and Social Services: Yukon Health Care Insurance Plan card data
[19] In 1996 Marsh Lake was included in the Whitehorse population counts – it is now a counted separately
[20] Manitoba, Saskatchewan, Alberta and British Columbia

the territory is forecast to be 32,400 in 2007 with the population approaching 33,000 by year end.

3.2 Labour Force

Statistics Canada's Yukon Labour Force Survey reported the unemployment rate in the territory dropped to an average of 4.3% in 2006 from 4.9% in the previous year.

The working age population in Yukon remained unchanged last year at an average of 21,500. The number of employed also remained constant in 2006 at 15,500. The average number of unemployed dropped to 700 last year, a decrease of 100 from 2005.

What did change between 2005 and 2006 was the number of people in the labour force[21]. The size of the labour force decreased from 16,400 on average in 2005 to 16,200 last year. Because there was no change in the size of the working age population in 2006, the drop in the size of the labour force is due to a decrease in the participation rate. The average annual participation rate dropped by a full percentage point in 2006 to 75.3%; this accounts for the full drop in the size of the labour force.

Because of relatively small numbers, data from the Statistics Canada's Yukon Labour Force Survey do not provide detailed information for why more people are choosing to not participate in the labour force but the vast majority (95%) state that they did not want work or were not available for work. The remaining 5%, or 300 persons, stated that they did want work but were not actively looking for employment.

The decrease in participation in the last year is most prevalent in the 15-19 year old age group where 1,100 chose not to work or seek employment. This is an increase of 200 from the previous year; however the total figure is average for the trend observed over the last 10 years.

While male participation in the labour force demonstrated a small increase in 2006, the participation rate of females decreased by 2.7% to 72.5%. The number of females employed was less than the number of males employed for the first time since 1997. In 2006 there were an average of 7,700 females employed compared to 7,800 males.

Full time employment grew in 2006, increasing by 100 to 13,200 (or about 85% of employed) while part-time employment declined by a corresponding amount to 2,400.

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[21] The labour force is defined as the number of working age individuals either employed or actively seeking employment

Public sector employment decreased by 300 in 2006 to 5,700 while private sector employment increased by 300 to 7,200.

Service sector employment dropped in 2006 with employment decreasing by 500 to 11,400. Goods producing sector employment increased in 2006, averaging 1,500 and up from 900 in 2005. Trades occupations continued to grow in 2005, increasing by 4.2% following an increase of 14.4% in 2005. Total employment in trades was reported as 2,500 on average in 2006.

The 2007 Canada Winter Games has supported continued strong employment in early 2007. The unemployment rate has averaged 4.1% over the first quarter of 2007 which is more than 1% lower than the same period in the previous year.

Labour market tightness should moderate over the year with commercial and institutional construction slowing with the completion of the larger projects from last year such as the Canada Winter Games Athlete's Village and the new Canadian Tire retail outlet. Increasing mineral exploration and mine development expenditures, waterfront development, continued strong residential construction and increased retail opportunities should support employment for the remainder of the year however the unemployment rate is expected to increase somewhat in 2007, averaging 5% over the year.

3.3 Consumer Prices

Inflation in Whitehorse[22] as measured by the consumer price index increased by 1.5% last year following increases of 2.2% in 2005 and 1.0% in 2004.

The inflation rate in Whitehorse in 2006 was below the national average of 2.0% last year.

A slowing of energy price increases in the second half of 2006 decreased the inflation rate substantially. Inflation in Whitehorse decreased to only an average of 0.3% in the second half of the year compared to an average of 2.5% for the first six months of 2006.

Energy price increases in Whitehorse last year were observed at 2.8%. This is substantially lower than the 11.4% increase measured in 2005 and the 8.3% increase in 2004.

Shelter costs in the territorial capital increased at a higher rate than overall inflation averaging 3.8% in 2006. Although household furnishings decreased by 2.4%, fuel oil and other fuels increased by 6.4%. The price of child care and domestic services showed its first appreciable increase in the last decade rising by 2.8% last year.

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[22] Consumer Price Index data (inflation) for Yukon is only available for Whitehorse

Transportation costs are tied to the price of fuels. Overall transportation costs increased in Whitehorse by 2.0% in 2006. Private transportation prices were up by 1.6% with a 2.3% increase in the price of gasoline and a 4.4% increase in insurance premiums being the leading contributors. The purchase price of vehicles, however, increased at a much lower pace of 0.4%.

Public transportation prices increased by 4.0% in 2006. The leading contributor was inter-city transportation which jumped by 4.8% last year. On the other hand, the price of local transportation, such as intra-city bussing and taxis, decreased by 0.4% in 2006.

Food costs increased by 1.2% last year with the price of food purchased at stores rising by 1.0% and food purchased at restaurants at a higher 1.6% rate.

Continuing a trend which started following the events of September 11, 2001, the price of traveller accommodations showed its sixth straight year of decrease, dropping by another 3.1% in 2006. In total, traveller accommodations prices in Whitehorse have decreased by 27.8% since 2001.

Inflation in Whitehorse in the first quarter of 2007 has remained at a similar pace to 2006, increasing by 1.3% on average in the January through March period. It is expected that inflation in Whitehorse in 2007 should continue to increase at a similar moderate pace as 2006. The overall inflation rate for Whitehorse is forecast at 1.5% in 2007.

3.4 Output (GDP)

Statistics Canada reports that Yukon Real[23] Gross Domestic Product (GDP) grew by 2.9% in 2006, slightly better than the national average of 2.7%.

Expenditure based GDP estimates are the sum of consumer, government and business expenditures plus exports less imports.

Consumer expenditures on goods and services in Yukon grew by 4.6% in 2006 supported by strong growth in expenditures on durable (7.3%) and semi-durable (4.9%) goods. Consumer expenditures account for over 60% of total GDP in the territory.

Current government expenditures on goods and services also grew by 4.6% last year although investment in structures as well as machinery and equipment contracted by 12.3%.

Although businesses invested more in machinery and equipment in 2006, increasing by 4.8%, a decrease in residential construction contributed to overall

[23] Real GDP is a measure of the value of production. GDP components are adjusted to eliminate the effect of price change.

business investment decreasing by 4.7%. Business investment in inventories recorded a 14.3% gain in 2006.

Yukon exports increased in 2006, growing by 1.9% over 2005. Supporting this growth was 6.3% growth in exports to other provinces. International exports decreased by 2.9% last year.

Imports of goods and services increased marginally (0.4%) in 2006 with international imports decreasing by 2.7% but interprovincial imports growing by 2.2%. Interprovincial import growth was dominated by 5.3% growth in service imports.

GDP is also calculated on a *GDP by Industry* basis by Statistics Canada. Real GDP calculated this way also showed 2.9% growth in 2006. The largest percentage growth of any industry in Yukon last year was manufacturing which increased by 24.1%. Manufacturing, however, is a small component of the Yukon economy accounting for only 0.3% of GDP in 2006.

Both wholesale and retail trade industries grew last year, increasing by 7.0% and 4.2% respectively in 2006. Retail trade accounted for 6.6% of GDP while wholesale trade accounted for 3.3%.

Mining and oil and gas extraction grew by 3.9% in 2006. Although both natural gas extraction and placer mining was down, exploration activity was a key driver of this growth.

With a 4.4% decrease in residential construction GDP, the construction industry GDP contracted by 7.6% from the high figures recorded in 2005. Non-residential construction was up by 2.5% and transportation engineering construction increased by 0.6% over the previous year. Repair construction was also up 1.2% in 2006.

Public administration GDP grew by 4.3% last year and educational services GDP increased by 2.0%.

Yukon GDP is expected to show continued growth in 2007 with increased mining and exploration and increased mineral exports. Canada Winter Games activities will also add support to the retail trade industry and government expenditures will continue to add a solid foundation to the Yukon economy. Overall it is expected that Yukon real GDP growth should continue at a 3% pace in 2007.

Key Economic Indicators Summary Table

Indicator	*2005*	*2006*	*2007 (f)*
Population, Prices, Rates †			
Population	31,240	31,803	32,400
Inflation Rate^	2.2%	1.5%	1.5%
Overnight Rate	2.65%	4.01%	4.25%
U.S./Canada Exchange Rate	$0.8254	$0.8817	$0.88
Employment †			
Labour Force	16,400	16,200	16,400
Employment	15,500	15,500	15,500
Unemployed	800	700	800
Unemployment Rate	4.9%	4.3%	5%
Economic Output			
Real Gross Domestic Product (chained 1997$)	$1,249 million (r)	$1,285 million (p)	$1,325 million
Real GDP Growth Rate	5.2%	2.9%	3%
Commodity Prices †			
Gold	$444.87 US/oz	$603.47 US/oz	$655.00 US/oz
Silver	$7.34 US/oz	$11.58 US/oz	$12.94 US/oz
Zinc	$0.626 US/lb	$1.472 US/lb	$1.68 US/lb
Copper	$1.668 US/lb	$3.026 US/lb	$2.75 US/lb
Uranium	$28.80 US/lb	$47.30 US/lb	$82.50 US/lb
Oil (West Texas Intermediate Crude)	$56.44 US/barrel	$66.17 US/barrel	$59.50 US/barrel
Natural Gas (NYMEX)	$9.00 US/MMBtu	$6.97 US/MMBtu	$7.40 US/MMBtu
Lumber (West. SPF 2X4)	$353 US/mbf	$297 US/mbf	$260 US/mbf
Mining			
Value of Mineral Production	$33.7 million	$37.3 million (p)	--
Exploration Expenditures	$48.8 million	$82 million (p)	$123 million
Development Expenditures	$0	$50 million	$71 million
Oil and Gas			
Volume of Natural Gas Production	199,072,300 m^3	152,660,600 m^3	--
Tourism			
Border Crossings+	324,284	315,504	316,000
Government			
YG Expenditures*	$753.5 million	$867.1 million	$861.9 million
Construction			
Permitted Building Construction	$75.6 million	$101.0 million	$70 - $80 million
Trade			
Value of Retail Sales	$443.4 million	$455.7 million	$470 million

^ - CPI increase for Whitehorse Only
f = forecast,
e = estimate
p = preliminary
r = revised
-- = not available
† annual averages – totals may not add due to rounding
** 2005 = 2005/2006 actual; 2006 = 2006/2007 forecast; 2007 = 2007/2008 estimate*
+ totals do not include visitors arriving by air or marine arrivals (Dawson City)

Data Sources for Key Economic Indicators Summary Table:

Indicator	*Source*
Population	2005 & 2006: Yukon Bureau of Statistics, *Yukon Population Estimates.* 2007: Yukon Economic Development forecast.
Inflation (Consumer Price Index)	2005 & 2006: Statistics Canada, *Consumer Price Index.* 2007: Yukon Economic Development forecast.
Overnight Rate	2005 & 2006: Bank of Canada (average daily rate) 2007: Yukon Economic Development survey of forecasters.
Canada/U.S. Exchange Rate	2005 & 2005: Bank of Canada (average daily noon rate). 2007: Yukon Economic Development survey of forecasters.
Labour Force Indicators	2005 & 2006: Statistics Canada, *Yukon Labour Force Survey.* 2007: Yukon Economic Development forecast.
Economic Output (GDP)	2005 & 2006: Statistics Canada, *Provincial Economic Accounts.* 2007: Yukon Economic Development forecast.
Metal Prices	All Years TD Canada Trust Economics
Value of Mineral Production	2005 & 2006 preliminary: Natural Resources Canada Minerals and Mining Statistics Division
Mineral Exploration & Mine Development	All years: Yukon Energy, Mines and Resources
Natural Gas Production Volume	All years: Yukon Energy, Mines and Resources, Oil and Gas Branch.
Tourism Visitation	All years: Yukon Tourism and Culture
YG Expenditures	All years: Yukon Finance.
Permitted Building Construction	2005 & 2006: Yukon Bureau of Statistics 2007 Yukon Economic Development forecast
Retail Trade	2005 & 2006: Statistics Canada 2007: Yukon Economic Development forecast.